US FOREST SERVICE COST SHARE Supplement No. 24 (Fisher/McKillop/Wolf)

June 23, 2009

RIGHT-OF-WAY-APPLICATION FILE NO. 14889

I. Applicant:

USDA-Forest Service Region 1 Kootenai National Forest Libby, MT 59923

II. Purpose of Reciprocal Cost-Share Agreement:

State land is intermingled with private and the US Forest Service lands administered by the Kootenai National Forest. In order for both the State of Montana and the US Forest Service to gain legal access, it is necessary to exchange easements as provided by the Master Cost/Share Agreement with the US Forest Service.

III. Legal Description:

The State of Montana and the USA (Forest Service) in the following described lands will exchange standard Cost/Share easements with a Right-of-Way width of 60 feet:

State Lands: Section 16, T27N, R28W, Section 36, T28N, R29W, Sections 4 and 8, T29N, R27W, Sections 30, T29N, R28W, Section 36, T29N, R29W and Section 16, T.30N, R29 W.

National Forest

System Lands: Sections 35, T28N, R29W

Section 22, T30N, R27W Section 5 and 6, T27N R28W

Note: Forest Service will assign rights for 33.23 miles on 262.01 acres of third party lands.

IV. General Information:

Tributary area, right of way area, and miles of road are summarized as follows:

	State Share	USFS Share	Private – third party share	Total
Tributary Area:	13,453 Acres	96,277 Acres *	(151,677)	260,797 Acres
Right of Way Area:	37.38 Acres	15.20 Acres*	(262.01)	314.59 Acres
Miles of Road:	5.14	2.09**	(33.23 Miles)	40.46 Miles

^{*} USFS assumes 3rd party shares.

^{**} Combination of cost share (F.S. and PVT) and non-cost share miles

Land Office:NWLOUnit Office:LibbyLand Classification:Forest

Beneficiaries Trust Accounts: C.S. - Public School, P.B. - Public Buildings

Lessee N/A
County: Lincoln

V. Costs to be Borne by Each Party:

Excess costs, by land value and road costs, were determined by negotiation with the USFS Kootenai National Forest in accordance with the principals found in the Master Cost Share Agreement. The Summary of Shares and Excess Costs for Supplement 24 are summarized as follows:

	EXCESS COSTS	
	Gov't Owes State	State Owes Gov't
Land Value	0	\$11,150
Road Costs	0	0
Total Value/Costs	0	\$11,150
Amount Owed*	\$0	\$11,150

^{*}Upon approval by the Land Board and exchange of deeds, the State and the Gov't agree to apply the balances due of \$11,150 to the Master Cost Share balance sheet.

VI. Results of MEPA Analysis:

No significant impacts are expected and no further analysis is needed. The USFS prepared and approved a Categorical Exclusion for the project.

VII. Benefits to State:

Shared maintenance and future reconstruction costs

Reduced road density by utilizing existing roads which reflects an integrated transportation system

Access rights across private land acquired from Forest Service on not only a "share basis" but also at the original cost basis.

Less acres of State land encumbered by roads and therefore more acres of State Land available for resource production.

If Supplement No.24 is approved, the State of Montana will acquire permanent legal access on the main system roads in the Fisher River, McKillop Creek and Wolf Creek drainages. This acquisition is another step of staged acquisitions in these drainages. Subsequent cost share acquisitions would be Six Hills, BN Overpass, North Wolf, South Wolf, Upper Fisher and Lower Fisher Supplements. Six Hills will be completed in fiscal year (FY) 2009; BN Overpass and North Wolf are in process to be completed in FY 2010 with the remainder in FY 2011. In addition, during the 1990's, through various reciprocal access agreements (RAA) with Plum Creek Timberlands (P.C.) and being prior to the Master Agreement in Cost Share (Jan. 13, 2003) with the Forest Service, the State acquired legal access across P.C. and used TRUPS on cost share roads. Supplement 24 and subsequent supplements will "connect" the "RAA roads" to the cost share roads. State Trust Lands gaining legal access under Supplement 24 are as follows:

Section 16, T27N, R28W, Section 36, T28N, R29W, Sections 4 and 8, T29N, R27W, Sections 30, T29N, R28W, Section 36, T29N, R29W and Section 16, T.30N, R29 W.

VIII. Recommendation/Action:

After review of the documents, exhibits, and benefits to the State, the Director of the Department of Natural Resources and Conservation recommends approval of Cost Share Supplement No. 24 with the US Forest Service.